

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 PA-01 PRS-01 FEAE-00 INT-05 /086 W
-----131538Z 049720 /40

R 131302Z JUN 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 8247

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E.O. 11652: N/A
TAGS: EFIN, PINT
SUBJECT: PUBLIC CONTROVERSY OVER CONDITION OF
KUWAITI ECONOMY

REF: KUWAIT 3161

1. A PUBLIC AND PRESS CONTROVERSY OVER THE STATE OF THE KUWAITI ECONOMY, SPARKED BY AN EDITORIAL ATTACK LAST WEEK ON FIN MIN ATEEQI'S ROLE IN THE ECONOMY (REFTTEL), IS UNDERWAY CONCURRENTLY WITH A SHORT-TERM CHAMBER OF COMMERCE STUDY OF THE ECONOMY, REQUESTED BY THE CROWN PRINCE. THE CONTROVERSY AND THE STUDY APPARENTLY ARISE FROM THE SIX-MONTH-LONG DEFLATION OF THE ERSTWHILE HIGHLY INFLATED KUWAIT REAL ESTATE AND STOCK MARKETS. THIS DEFLATION, WHICH IS BY NO MEANS AN ECONOMIC CRISIS, HAS HURT THE FINANCIAL INTERESTS OF SOME KUWAITI SECULATORS AND, APPARENTLY, HAS STIMULATED THEM TO SEARCH FOR A SCAPEGOAT. AUSTERITY-MINDED ATEEQUI SEEMS TO BE THE GOAT, BUT IF HE IS WORRIED, HE DOES NOT SHOW IT--HE IS IN CAIRO AT A MEETING OF ARAB FINANCE MINISTERS.

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2. THE PRESS CONTROVERSY HAS SO FAR RESULTED IN GOVERNMENT SUSPENSION OF PUBLICATION OF A LEADING KUWAIT DAILY, AL-SIYASAH, FOR THREE DAYS (JUNE 12-14), OWING TO ITS EDITORIAL OF JUNE 11, WHICH PRAISED THE CROWN PRINCE FOR ORDERING A STUDY OF THE SITUATION, BUT ATTACKED UNNAMED GOVERNMENT OFFICIALS FOR OFFICIOUSNESS AND LACK OF INTEREST IN THE HEALTH

OF THE DOMESTIC ECONOMY. MEANWHILE, MORE AND MORE EDITORIALS AND PRESS ARTICLES ARE APPEARING WHICH DEFEND THE BASIC HEALTH OF THE ECONOMY AND THE GOVERNMENT'S ROLE IN IT, AND SOME REPORTS HAVE NOTED THAT THE RECENTLY SLUGGISH KUWAITI STOCKMARKET HAS RESPONDED TO THE CROWN PRINCE'S NEWLY ANNOUNCED INTEREST. ALSO, THE CROWN PRINCE'S NEW FINANCIAL ADVISOR, THE RESPECTED PALESTINIAN-KUWAITI KHALID ABU SA'OD, HAS COME TO MINISTER ATEEQI'S DEFENSE IN PUBLIC IN A STATEMENT REPORTED WIDELY IN THE PRESS.

3. MINISTER ATEEQI HAS ALWAYS BEEN A CONTRVERSIAL FIGURE AND A MAN WHOSE SOMEER, CONSERVATIVE PRO- NOUNCEMENTS IN THE MIDST OF THE KUWAITI OIL BOOM HAVE NOT BEEN WELL RECEIVED. WHILE ATEEQI MAY NOT BE AMONG THE POTENTIALLY STRONGEST KUWAIT POLITICIANS, HIS EXPERIENCE IS WIDELY RESPECTED. MAESTRONE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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